

PRESS RELEASE

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Open Space Authority to Return Assessment Funds

San Jose, CA, May 29, 2009 – Property owners who have property within the jurisdiction of the Santa Clara County Open Space Authority will soon be able to claim refunds of an assessment charged by the Authority on their real estate tax bills between 2002 and 2008.

In 2001, the Authority approved a \$20 annual assessment on single-family homes located within the Authority's territory to help purchase and maintain open space and parkland. Higher amounts were charged for multi-family and commercial properties. The Silicon Valley Taxpayers Association, the Howard Jarvis Taxpayers Association, and six individual property owners filed a lawsuit in 2002 to have the assessment declared invalid.

In July 2008, the California Supreme Court overturned two lower court decisions in the Authority's favor, ruling that the assessment violated Proposition 218, a measure passed by state voters in 1996. The Authority immediately ceased imposing the assessment, and has now entered into a settlement agreement with the Plaintiffs.

The settlement agreement creates a way for property owners to obtain refunds by filing claims in a court-supervised process. It also releases the Authority from future lawsuits dealing with the \$20 assessment and another \$12 assessment that the Authority continues to charge. "We were obviously pleased the Supreme Court ruled in our favor and that this settlement resolves outstanding issues concerning taxpayers' refunds of money previously collected by the Authority," said Tony Tanke, counsel for the taxpayers. "Like every settlement, this one involved a compromise of disputed issues with give and take on both sides."

The Assessment was imposed for six years and collected more than \$51 million from property owners. The Authority set aside the money while the taxpayers' lawsuit was pending and will use it to pay refunds and the expenses of the lawsuit. Refund claims will have to be filed with a court-appointed claims administrator within 90 days. The Authority will keep any balance of the funds collected from the assessment. Thus, taxpayers who want the money collected to be used by the Authority for open space and parkland need not file claims.

The Superior Court must still approve the settlement. Property owners will receive notice describing how to claim refunds.

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